

P-414/EM-94-342 ORDER AUTHORIZING PROVISION OF CLASS SERVICES

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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Chair
Commissioner
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In the Matter of the Proposal by Mankato
Citizens Telephone Company and Mid-
Communications, Inc. to Offer CLASS
Services

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PROCEDURAL HISTORY

On April 12, 1994 Mankato Citizens Telephone Company and Mid-Communications, Inc. filed a joint proposal to offer CLASS services. The two companies are affiliates. Mankato Citizens serves over 31,000 lines in Mankato, and Mid-Comm serves approximately 7,800 lines in eleven exchanges located in a ring around Mankato. On May 24, 1994 the Companies made a supplementary filing.

The filings were based on the Commission's June 17 and December 3, 1993 Orders authorizing CLASS services and setting conditions on their provision.¹

On August 5, 1994 the Department of Public Service (the Department) filed a report and recommendation, focusing chiefly on recordkeeping, reporting, and customer education issues. The report raised an issue not identified in earlier CLASS proceedings -- the software configuration used by the Companies could result in Continuous Redial disclosing called parties' names as well as numbers, which could thwart privacy expectations held by customers with unlisted and nonpublished numbers.

The report also recommended modifying the Companies' proposed Call Trace rates and prohibiting the provision of Last Call Return until the Companies have the technology in place to prevent the return of blocked calls.

The Companies did not oppose the Department's recommendations, with the exception of the recommendation to reduce proposed rates for Call Trace.

The filing came before the Commission on October 11, 1994.

FINDINGS AND CONCLUSIONS

I. The Companies' Proposal

The Companies proposed to offer nine CLASS services:² Caller ID - Number (Calling Number

¹ In the Matter of a Commission Initiated Investigation into the Provision of Custom Local Area Signaling Services in Minnesota, Docket No. P-999/CI-92-992, ORDER ESTABLISHING CONDITIONS FOR THE PROVISION OF CUSTOM LOCAL AREA SIGNALING SERVICES (June 17, 1993) and ORDER AFTER RECONSIDERATION (December 3, 1993).

² These services are identified first by the names the Commission has used for them in earlier Orders and second by the names the Company used in its filing and promotional materials.

Delivery); Caller ID - Name and Number (Calling Name/Number Display); Continuous Redial; Last Call Return; Priority Call; Selective Call Acceptance; Selective Call Rejection; Selective Call Forwarding; and Call Trace (Customer Originated Trace).

The Companies proposed to provide the business and residential per-call and per-line blocking options required under the CLASS Orders. The CLASS Orders require different activation codes for per-call blocking and unblocking where technically feasible. The Companies have the technology to establish different codes and will do so.

The CLASS Orders require companies providing CLASS services to offer Anonymous Call Rejection at no charge, to explain and document any inability to comply with that requirement, and to file proposed time frames for full compliance. The Companies will have free Anonymous Call Rejection in place when CLASS services are offered.

Finally, for now the Companies proposed to limit CLASS services to calls originating and terminating within the companies' twelve Mankato-area exchanges. These twelve exchanges are already linked by Extended Area Service.

Within the next two years, however, the Companies plan to begin transmitting CLASS information over long distance connections. They stated they have already decided to treat calls diverted by Selective Call Rejection, Selective Call Acceptance, or Anonymous Call Rejection as unanswered calls for billing purposes.

II. Commission Action

The Commission finds the Companies' proposal in substantial compliance with the June 17 and December 3 Orders. The Commission will modify the proposal to bring it into full compliance and will set filing and reporting requirements to aid regulatory review.

III. Last Call Return Not Authorized

Last Call Return allows a called party to call the originating number of the last unanswered call by dialing a standard code. If the originating number is busy, Last Call Return software will keep trying to return the call for 30 minutes. Last Call Return also typically gives the called party the originating number of the last unanswered call.

The Companies' CLASS software does not reveal the originating number of the last unanswered call if the caller was using blocking. The software does, however, transmit the

originating number for purposes of allowing the called party to return the call. This violates the June 17 Order's prohibition against transmitting blocked numbers.

The Commission will prohibit the Companies from offering Last Call Return until they have the technology in place to prevent the feature from returning blocked calls.

IV. Call Trace Rates

The Companies proposed Call Trace rates of \$5.00 per successful activation. They were aware of Commission decisions rejecting Call Trace rates at that level, but argued they had incurred extra expense to locate Call Trace printers on law enforcement premises, justifying higher rates. The Companies did not submit cost studies comparing the costs of placing printers at law enforcement offices with the costs that placement eliminates.

Call Trace rate design raises serious issues. Allocating costs that benefit both individual customers and the network or public as a whole is always difficult.

On the one hand, providing Call Trace imposes significant costs on the system which have to be borne by someone; Call Trace users are logical candidates. At the same time, many Call Trace users are clearly and simply victims of crime, and it is unreasonable to require crime victims to bear the costs of apprehending perpetrators. Finally, it is clearly contrary to the public interest for Call Trace rates to be high enough to discourage customers from asserting their right to protection from harassing or obscene telephone calls. The Commission must balance all these considerations.

The Commission will reduce the Call Trace charge from \$5.00 to \$1.00, believing this results in a more equitable and workable allocation of costs between Call Trace users and network users as a whole. The Commission will continue to explore the issue of Call Trace rate design and will monitor the practical effect of this and other rate designs through the annual reporting required of all companies offering CLASS services.

Finally, to avoid customer confusion, the Commission will require the Companies to clarify in their tariffs and educational and promotional materials how Call Trace works and how it is priced.

V. Privacy Implications of Continuous Redial

The software configuration the Companies intend to use would disclose to Caller ID - Name and Number customers using Continuous Redial the name, as well as the number, of the called party. Depending upon whether the caller already knew the called party's identity, this could defeat legitimate privacy expectations of customers with nonpublished or unlisted service.

To prevent the inadvertent disclosure of information customers have paid to have protected, the Companies propose not to include in their Caller ID data banks the names of customers with nonpublished or unlisted service. The Commission believes this will adequately protect the privacy interests of customers with nonpublished and unlisted numbers and will direct the Companies to explain this policy to all customers to ensure informed decisionmaking by all.

VI. Customer Education Materials and New Tariffs Required

A. Customer Education

As the Commission emphasized in the June 17 and December 3 Orders, public understanding of CLASS services is essential if they are to achieve their potential for giving customers more

control over how the telephone affects their lives. Public education programs therefore play a major role when companies introduce CLASS services.

For the most part the educational materials filed by the Companies are clear, accurate, and complete. The final customer education mailings should contain the items listed in the Department's report and should be approved by Commission staff before mailing. (The Companies may of course choose Commission review over staff review; staff review is offered as a means to expedite implementation of the service.)

B. Tariff Provisions

The Companies will be required to file revised tariff pages to reflect modifications to their proposal made in this Order and to clarify portions of their earlier filing. In brief, the revisions will delete references to Last Call Return, reflect a Call Trace rate of \$1.00 per activation, and make the revisions and clarifications listed in the Department's report.

VII. Reporting Requirements

In its June 17 and December 3 Orders the Commission established detailed annual reporting requirements for companies offering CLASS services. The Commission also required an annual report from the Department, which is to include the Department's assessment of public acceptance of CLASS services and its recommendations on how CLASS services should be structured in the future.

The Commission continues to believe regulatory monitoring and oversight are necessary to ensure that this new technology is deployed to serve the public interest. The Commission will therefore require the following additional reports from the Companies.

First, the Companies will be required to give at least 60 days' notice before making any changes to their CLASS service offering or offering any CLASS service in conjunction with any other telephone company or telecommunications carrier.

Second, to help the Commission evaluate the performance of CLASS services and make informed decisions on what shape they should take in the future, the Companies will be required to maintain clear records on customer complaints. Copies of these complaints will

be furnished to the Department upon request and summaries will be filed with the Companies' annual CLASS report.

Finally, the Companies will be required to work closely with the Department in providing any information the Department needs to fulfill its annual reporting responsibilities.

ORDER

1. The Companies' proposal to offer CLASS services is approved, as modified herein.
2. The Companies shall not offer Last Call Return until they have technology in place to prevent the return of calls for which the caller has used per-line or per-call blocking.
3. The Companies shall reduce their rates for Call Trace to \$1.00 per activation, as discussed above.
4. The Companies shall remove from their Caller ID data bases the names of all customers with nonpublished or unlisted numbers and shall explain this action and the reasons for it in their customer education materials.
5. Within ten days of the date of this Order the Companies shall file revised tariffs reflecting the modifications to their proposal made in this Order and the revisions and clarifications recommended in the Department's report.
6. The Companies shall serve copies of their proposed final customer education materials on the Department and the Residential Utilities Division of the Office of the Attorney General.
7. The Companies shall not offer any CLASS service until their filed tariffs and customer education materials have been approved by the Commission or Commission staff. Their customer education materials shall include, but shall not necessarily be limited to, the items listed in the Department's report.
8. The Companies shall notify the Commission and the Department at least 60 days in advance of any plan to make any change in their CLASS services or to provide any CLASS service or SS7 technology in conjunction with any other telephone company or telecommunications carrier.
9. The Companies shall keep clear and accurate records of all complaints filed in regard to CLASS services. The Companies shall provide copies of such complaints to the Department upon request and shall file summaries of such complaints with their annual CLASS reports.
10. The Companies shall work closely with the Department in providing any information the Department considers necessary to prepare its annual reports on CLASS services.
11. The Companies shall file for review and approval by the Commission or its staff all future educational materials on CLASS services.
12. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

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